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**Congressman Travis Childers Holds Small Business Forum to Discuss Impact of Recovery Act on Economic Growth and Development, Jobs**

February 19, 2009

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"Spurring small business growth in North Mississippi means saving and creating jobs," said Congressman Childers. "I'm a small businessman myself, and I understand the great contribution these businesses make to North Mississippi's economy. The Recovery Act promotes small business development and encourages investment through significant tax cuts and credits for both businesses and investors. Through these incentives and other important benefits, small businesses will both protect and create jobs, and will help get our economy back on track."

The final version of the American Recovery and Reinvestment Act, which was signed into law Tuesday, offers significant investments in small business growth and development, including major tax incentives.

The Recovery Act specifically includes a provision similar to Congressman Childers' Invest in Small Business Act, which he introduced last July to encourage investment in small businesses by cutting the capital gains tax.

An overview of Recovery Act provisions that will help spur small business growth and development, and help create and save jobs, includes the following:

#### Business Tax Incentives to Create Jobs and Spur Investment

- Helps businesses quickly recover costs of new capital investments by extending the bonus depreciation and increased small business expensing for businesses making investments in plants and equipment in 2009.
- Includes a variety of provisions to help small business, including small business expensing for investment in new plants and equipment, loss carry back for small businesses, a delay of the 3% withholding tax on payments to businesses that sell goods or services to governments and a cut in the capital gains tax cut for investors in small businesses who hold stock for more than five years.
- Provides assistance to companies looking to reduce their debt burdens by delaying the tax on businesses that have discharged indebtedness, which will help these companies strengthen their balance sheets and obtain resources to invest in job creation.
- Provides incentives to create new jobs with tax credits for hiring recently discharged unemployed veterans and youth that have been out of work and out of school for the 6 months prior to hire.

#### Tax Incentives to Spur Energy Savings and Green Jobs

- Provides \$20 billion in tax incentives for renewable energy and energy efficiency over the next 10 years.
- Includes a three-year extension of the production tax credit (PTC) for electricity derived from wind (through 2012) and for electricity derived from biomass, geothermal, hydropower, landfill gas, waste-to-energy, and marine facilities (through 2013).
- Provides grants of up to 30 percent of the cost of building a new renewable energy facility to address current renewable energy credit market concerns.
- Includes clean renewable energy bonds for State and local governments.
- Establishes a new manufacturing investment tax credit for investment in advanced energy facilities, such as facilities that manufacture components for the production of renewable energy, advanced battery technology, and other innovative next-generation green technologies.

#### Tax Incentives for State and Local Economic Development

- Includes provisions to enhance the marketability for state and local government bonds, which will reduce the costs they incur in financing state and local infrastructure projects.
- Includes a new bond-financing program for school construction, rehabilitation, and repair.

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